

**MINUTES
OF THE REGULAR MEETING OF THE
SAN JOAQUIN RIVER EXCHANGE CONTRACTORS WATER AUTHORITY
HELD FRIDAY, MARCH 5, 2021**

The Board of Directors of the *San Joaquin River Exchange Contractors Water Authority (SJRECWA)* met in Regular Session on Friday, March 5, 2021 in the Board Room of the *San Joaquin River Exchange Contractors Water Authority*, 541 “H” Street, City of Los Banos, County of Merced, State of California.

The following persons were present:

REPRESENTATIVES:

Central California Irrigation District (CCID): James O’Banion, Chairman

STAFF MEMBERS:

Chris White, Executive Director; Steve Chedester, Director of Policy and Program; Joann White, Director of Finance and Administration; Adam Hoffman, Water Resources Specialist; and Darlene O’Brien, Administrative Assistant

In accordance with the Governor’s Executive Order (N-29-20) and the declared State of Emergency as a result of the threat of COVID-19, the following members of the Exchange Contractors’ Board of Directors and staff, and members of the public participated via teleconference:

REPRESENTATIVES:

CCID: Jarrett Martin, Manager

San Luis Canal Company (SLCC): James Nickel, Director; John Wiersma, Manager

Firebaugh Canal Water District (FCWD): Mike Stearns, Director; Jeff Bryant, Manager

Columbia Canal Company (CCC): Chris Cardella, Director; Randy Houk, Manager

OTHERS:

Andrew McClure, Minasian, Meith, Soares, Sexton & Cooper LLP; Kim Brown, CCC Director; David Cory, Consultant; Joe Mastro, Cuttonone & Mastro Certified Public Accountants; Chase Hurley, Water, Land & Solutions, LLC; Lauren Layne, Baker, Manock & Jensen; Rick Iger, Provost & Pritchard Consulting Group; Manny Amorelli, James Irrigation District; Eric Ruckdaschel, Landowner; and Don Wright, Journalist

CALL TO ORDER:

Chairman O’Banion opened the meeting at 9:29 a.m. The Executive Director proceeded to take roll call of the Board members in attendance via teleconference. At this time, Executive Director White asked for a moment of silence in memory of former Merced County Supervisor, Jerry O’Banion.

APPROVAL OF MINUTES:

The unapproved minutes from the February 5, 2021 Board meeting were presented. Director Stearns made a motion to approve the minutes as presented. The motion was seconded by Director Nickel. Upon a roll call vote, the motion was passed by a 4-0 vote.

PRESENTATION OF THE FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019:

Joe Mastro referred to the Exchange Contractors' financial statements that were included in the Board packets and provided an overview of the statements for revenue, expenditures, net position and reconciliation balances. He then reviewed the auditor's letter outlining significant audit findings.

Following the presentation, Director Cardella made a motion to accept the Financial Statements and Supplemental Data for Years Ended December 31, 2020 and 2019 as presented. The motion was seconded by Director Nickel. Upon a roll call vote, the motion was passed by a 4-0 vote.

PUBLIC PARTICIPATION:

There was no public participation presented.

BOARD TO APPROVE THE FEBRUARY 2021 EXPENDITURES AND FINANCE COMMITTEE REPORT:

Joann White presented the February 2021 Expenditure List and Financial Report and provided highlights of the revenue and expenses for the General, Water Transfer, Water Resources Plan, and San Joaquin Valley Drainage Authority Budget Comparisons. An outline of the Cash Activity Report was then presented.

Executive Director White next reviewed his Memos regarding proposed changes to the Water Resources Plan (WRP) Budget Comparison. First, he pointed out the adjustment to the proposed expenses for the Del Puerto Canyon Reservoir (DPCR) project based on the current scope of work. He reminded the Board that when the initial 2021 budget was approved, the amount for the DPCR was yet to be determined. He also reported that he had presented this matter to each of the member entity boards throughout the past month for their consideration.

Mr. White then explained the addition of the line item for funding of the first phase (architectural services) of the Milliken Museum/Water Agency facility project. However, after adding in the Milliken Museum project expenses and with reductions to estimated expenses for the Orestimba and Los Banos Creek projects and the Temperance JPA line items, there would still be a decrease of \$113,800 to the budget, exclusive of the new proposed DPCR expenses.

Following the report, a motion was made by Director Stearns and seconded by Director Nickel to approve the Expenditure List and Financial Reports as presented. Upon a roll call vote, the motion was passed by a 4-0 vote.

The Finance Committee meeting minutes of February 2, 2021 were provided for informational purposes.

WATER REPORT:

Water Resources Specialist, Adam Hoffman gave a brief update on the recent allocation announcement by the U.S. Bureau of Reclamation (Reclamation) for Central Valley Project (CVP) contractors.

He then provided a review of his water report that included the following data: Exchange Contractors' total demands: 808 c.f.s., of that, 618 c.f.s. from the Mendota Pool and 190 c.f.s. from the Delta Mendota Canal (DMC). He then reported that releases from Friant Dam into the San Joaquin River are 266 c.f.s., with 122 c.f.s. at Gravelly Ford. Currently, there is 63 c.f.s. entering the Mendota Pool from the San Joaquin River, with 60 c.f.s. going past Sack Dam as part of the San Joaquin River Restoration Program (SJRRP) flows.

Mr. Hoffman next reported on the following current reservoir storage: Shasta – 2,281,749 a.f.; Millerton – 169,096 a.f.; and San Luis Reservoir – 1,187,895 a.f., observing that the Federal share in the San Luis Reservoir is 475,383 a.f., with the State project water at 712,512 a.f. Next, he stated that Pine Flat is 241,704 a.f. of storage and the Los Banos Creek Detention Dam is at 19,749 a.f. The Upper San Joaquin Basin combined storage is 263,291 a.f., which is about 100% of average, and the accumulated full natural flow into Shasta Lake is 44% of average.

The Delta Operations data was then provided as follows: inflows are 10,678 c.f.s and exports are 1,879 c.f.s. The outflow index is at 7,899 c.f.s and 16% of inflows diverted, noting the controlling factor for this is the delta outflow/X2 requirement.

Mr. Hoffman concluded his report with an update of the current water year forecasting from Department of Water Resources (DWR) and the statewide summary of the snow water content.

The additional data was included in Mr. Hoffman's report for informational purposes: Current Reservoir Conditions, San Luis Reservoir Storage Levels, Shasta Dam Operations, Millerton Lake Daily Operation's Report, and Daily CVP Water Supply Report.

EXECUTIVE DIRECTOR'S REPORT:

San Joaquin River Restoration Program (SJRRP) – Executive Director White reported that the Exchange Contractors Principles document has been forwarded to Reclamation for their review.

Operations – The Executive Director stated Reclamation will be putting together a temperature plan for this year's operations for Shasta based on the April 1st forecast.

Legislative – Along with San Luis & Delta-Mendota Water Authority, the Exchange Contractors participated in various virtual briefings with legislative members including Congressmen Harder, Costa and Valadao, as well as holding a virtual meeting with Reclamation's new appointed Commissioner, Camille Toutone. We are also working on updating the infrastructure project list in preparation for a potential infrastructure bill package.

Water Resources Plan – Executive Director White reported the 2021 budget has been approved for DPCR. There has been a finding of consistency by Secretary of Interior and we are currently reinitiating work on permits to get the project advanced and ready for a 30% design.

DIRECTOR OF POLICY & PROGRAM REPORT:

Steve Chedester provided the following updates:

San Joaquin River Restoration Program – Reclamation, the Technical Service Center (TSC) and CCID have agreed on a fish screen layout. Jacobs Engineering made a presentation to the Fisheries Technical Team earlier this week. Regarding the fish recapture facility, the hydraulic analysis is currently taking place and the modeling will start soon with an estimated completion date of May 1st. With regard to the Arroyo Canal project, SLCC’s Financial Assistance Agreement (FAA) final draft report has been submitted to Reclamation for review. We should have the 10% design package, including the six fish screen alternatives by the end of March. SLCC and Reclamation are also looking at gate alternatives at Sack Dam to accommodate better flow control and measurements for SJRRP. By the end of October, we should have the 30% design package. Construction continues at Mowry Bridge with the City of Mendota as the lead, and there are some head differential issues at the temporary coffer dams that are being worked on.

Orestimba Creek Recharge and Recovery Project - CCID and Del Puerto Water District (DPWD) were awarded a \$5.4 million storm water grant, which is in addition to the previously received \$800,000 Irrigated Water Resources Management Plan grant. There is a meeting this afternoon with Reclamation regarding the environmental work, which will be a critical step to move forward with permitting processes and for the grants. The 30% design package was received last month.

Los Banos Creek Recharge and Recovery Project - The proof of concept is now complete, and a final report will be submitted to Reclamation. A workshop between the project partners was recently held to go over this year’s schedule and goals to be completed.

WATER TRANSFER PROGRAM:

Executive Director White presented the draft proposed Agreement for Storage and Extraction of Water between SJRECWA and Rosedale-Rio Bravo Water Storage District. Legal Counsel gave a brief summary of the changes that were made on the final draft of the proposed agreement.

Director Nickel made a motion to approve the proposed agreement with Rosedale Rio-Bravo Water Storage District contingent upon approval by the member entity boards. The motion was seconded by Director Stearns. Upon a roll call vote, the motion was passed by a 4-0 vote.

The Executive Director reported that the Water Transfer Committee had met last month and reviewed potential proposals from the member agencies and that there will be follow-up meeting in March to finalize the proposals. Director Cardella also reminded the group of the Water Transfer Policy regarding owner-to-owner transfers.

BAY-DELTA WATER QUALITY AND REGIONAL WATER QUALITY CONTROL BOARD (RWQCB) REPORT:

David Cory reported that in January, Governor Newsom had appointed two new board members to the Central Valley Regional Water Quality Control Board.

CV-SALTS: Notices were sent out related to the Salt Control Program developed as part of CV-SALTS and most coalitions have decided to go with the Alternative Approach, which provides a compliance option to permittees who participate in and provide a minimum level of financial support for the Prioritization and Optimization Study led by Central Valley Salinity Coalition. The Priority 1 Nitrate Management Zones have submitted their reports to the Regional Board this week.

LEGISLATIVE REPORT:

Executive Director White presented the 2021 Exchange Contractors Legislative Priorities which were discussed and updated at the recent Legislative Committee Meeting. He then provided a brief summary of each priority. He stated that we are currently working on some proposals to develop and update introductory materials and video to convey the Exchange Contractors' positions. Mr. White asked for approval from the Board for the Legislative Priorities.

A motion was made by Director Stearns and seconded by Director Nickel to approve the 2021 Legislative Priorities as presented. Upon a roll call vote, the motion was passed by a 4-0 vote.

State: Executive Director White presented Dominic DiMare's report noting that state legislators had until February 19th to introduce legislation. The next Legislative Committee meeting has been scheduled for March 12th to discuss the legislative concerns at a State level and develop recommendations to bring back to the Board.

Federal: The Executive Director referred to Nancy Williams' report which discussed the actions and activities from January and COVID legislation. Mr. White also noted that recent cabinet position nominees and appointments and the upcoming infrastructure proposal.

ATTORNEY'S REPORT:

Legal counsel reviewed the following issues and said that some of the discussions will take place in Closed Session:

- CEQA Litigation regarding DPCR
- DPCR Settlement Conference
- Court of Claims

FOUR ENTITIES' MANAGER REPORTS:

San Luis Canal Company:

Manager Wiersma reported that about 6,200 AF was delivered in February. Office staff is currently working on the Annual Meeting which will be held virtually on March 25th. The SLCC Board adopted a critical year allocation at the February meeting.

Central California Irrigation District:

Manager Martin reported that during February, there was about 15,000 AF of demand which is significantly reduced. The CCID Board also adopted a critical year water allocation and budget. District-wide they have started the updating process of their 10-year conservation plan.

Columbia Canal Company:

Manager Houk stated that CCC started water on March 1st.

Firebaugh Canal Company:

Manager Bryant reported that their February use was down significantly. FCWD will be presenting eight fallowing transfers at the next Water Transfer Committee meeting totaling approximately 2,300 acres. Their canal lining project with automated gate structure will be complete next week. The Grassland Basin Authority is fully operational and working on obtaining grant funding.

INFORMATIONAL:

Upcoming Dates to Remember –

- Legislative Committee Meeting – March 12, 2021
- Water Transfer Committee Meeting – March 17, 2021

Don Wright announced that on station 88.1 FM at 5:00 PM that evening there will be a talk show on the San Joaquin Valley Blueprint.

CLOSED SESSION:

Chairman O'Banion adjourned the meeting to Closed Session at 10:45 a.m.

The Chairman returned the meeting to Open Session at 11:55 a.m. and announced that direction was given to staff and legal counsel. There being no further business, the meeting was adjourned at 11:55 a.m.

JAMES O'BANION, CHAIRMAN

Attest a true record of proceedings had
And taken at the foregoing meeting, our
Presence thereat and our consent thereto.

CHRIS WHITE, SECRETARY

(Signatures Continue on Following Page)

JAMES NICKEL, DIRECTOR

MIKE STEARNS, DIRECTOR

CHRIS CARDELLA, VICE-CHAIRMAN